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RUEHCV/AMEMBASSY CARACAS 0210  
RUEHGE/AMEMBASSY GEORGETOWN 0515  
RUEHLP/AMEMBASSY LA PAZ MAR PARAMARIBO 0149  
RUEHQT/AMEMBASSY QUITO 1071  
RUEHSG/AMEMBASSY SANTIAGO 1161  
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BRASILIA FOR ESTH HUB - J STORY  
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TAGS: [EAGR](#) [SENV](#) [ETRD](#) [EAID](#) [ECON](#) [PE](#)  
SUBJECT: PERU LOWERS MAHOGANY EXPORT QUOTA

REF: (A) Lima 658 (B) Lima 4528 (C) Lima 4289

1. SUMMARY: The GOP has lowered its mahogany export quota to 13,476 cubic meters. While significantly lower than last year's quota of 23,000m3, NGOs and Peru's scientific authority for CITES believe that the quota is still too high. The quota also does not permit (much less give a preference for) much of the certified mahogany that USAID and NGOs have been striving to establish as the alternative to unregulated mahogany exports. The recent visit of Deputy Assistant USTR for Natural Resources gave post an opportunity to press NGO and GOP contacts to suggest reconsideration of the quota, as NGO's have threatened to push for a complete trade suspension at the next CITES meeting in July. END SUMMARY.

NEW MAHOGONY EXPORT QUOTA: 13,000 CUBIC METERS

2. GOP natural resources agency INRENA, which grants forest concessions and is the Management Authority for broad leaf mahogany under the Appendix II listing in the Convention Against Trafficking in Endangered Species (CITES), announced at the end of February that the mahogany export quota would be 13,476 cubic meters (m3). This amount is a significant drop from previous years; the 2006 quota was 26,321m3 and the 2005 quota was 23,239m3. The downwards trend reflects a response to the listing of mahogany as an Appendix II threatened species in 2002, and the high amount of illegal logging. INRENA states that it sets the quotas using the following criteria: available volumes that could, in a representative fashion, be verified as originating from legal sources; data on existing mahogany per private sector concessions and statistical inference from past year volumes. The 2007 quota has two components: Approved and verified (by INRENA) 2007 harvest amounts; and approved and yet to be verified 2007 harvest amounts.

3. Despite this significant reduction in permitted mahogany trade, NGOs remain critical, complaining that the quota should be even lower. More importantly, the quota does not give any preference to cut mahogany certified by the independent NGO Forest Stewardship Council and administered jointly by USAID, NGOs such as World Wildlife Fund and participating private and indigenous community concessionaires. Some mahogany under this program will not complete the rigorous certification program until later in 2007, and thus cannot be eligible for export. INRENA, under CITES and GOP law, must

certify that the origin of cut mahogany for export is legal and non-detrimental to survival of the species. NGOs point to INRENA's lack of capacity to fully verify both the source as well as when the timber was harvested. NGOs contend that timber from illegal sources has been stockpiled for the past few years in order to be exported as part of the 2007 and future quotas.

#### SCIENTIFIC AUTHORITY SPEAKS

¶4. During a February visit by Deputy Assistant United States Trade Representative Mara Burr, ESTHoff and USAID Forestry Programs Director met with Dr. Ignacio Lombardi. Lombardi, a forestry professor at the National Agrarian University (UNALM), has been designated by the GOP under CITES as the Scientific Authority for broad leaf mahogany. (CITES requires also a management authority, which the GOP designated as INRENA.) Lombardi indicated that while he believes the quota should most appropriately be around 1200 trees, equivalent to approximately 10,000m3, he realized that it is difficult with competing economic and political interests to more drastically cut the quota and he was prepared accept 13,000m3 as a reasonable compromise, if certified wood was taken into account.

¶5. Lombardi was firm that the quota should ideally give preference to certified wood, meaning that the quota should first be filled with certified wood and then filled with non-certified. Failing that, the cutoff date for wood eligible for the 2007 quota should be extended to allow for wood that will be certified in the course of the year. (Note: the major exporters have tended to oppose certification due to the added expense. It is no secret, however, that illegal logging of mahogany and corruption by government overseers has been a problem. See Reftels. End Note.)

#### INVENTORY NEEDED

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¶6. Lombardi and UNALM staff have been conducting an inventory of mahogany population. Lombardi told us that the mahogany inventory of Ucayali (central Peru, bordering Brazil) was completed, and inventories for several other departments were in process. (Note: Forest Services firm Winrock will conduct a seminar on March 9 on aerial imaging inventory methodology and a completed pilot study for a comprehensive inventory which, although expensive, would speed and possibly better quantify and qualify the UNALM inventory. End Note.) While in a perfect science-driven world it would be logical to suspend all mahogany exports until a systematic and credible inventory for the whole country was completed, Dr. Lombardi realized that mahogany provides jobs in the jungle and extrapolating the Ucayali inventory to the rest of Peruvian mahogany range, coupled with a drastically reduced quota, should be enough to maintain the species until a full inventory is complete.

¶7. Lombardi agreed that a logical management system would allow for a rolling census, much like Peru's innovative human census, with yearly or quarterly updates and revisions of the quota according to rolling survey findings. Finally, Lombardi believes a quota should include a ban on mahogany taken from Departments such as San Martin which are seriously deforested and notorious sources for illegal mahogany logging. (Note: an accurate mahogany inventory is hampered by the lack of roads in the mahogany range, as well as lack of resources allocated for inventory staff and aerial surveys. End Note.)

#### NGOs READY TO TAKE TO THE HILL

¶8. USAID also met recently with a coalition of NGO's, led by WWF, who follow the mahogany issue and many of whom are involved in certification projects. NGOs and forestry experts also met to analyze the new quota, concluding that INRENA needs to develop a joint plan with UNALM on setting a quota that will conserve mahogany but allow sustainable export. This group also noted in a written statement the need to inventory all concessions before allowing export, and failing that permit only certified wood for export. NGOs have already written a letter to INRENA urging it to reconsider the quota figure as well as the certification policy. These NGOs tell us that they are ready to press CITES and the USG (including Congress) for a full trade suspension at the Congress of the Parties this summer in The Hague.

19. COMMENT: Post will continue to meet with all parties to work on certification aspects of the quota. The 13,461m<sup>3</sup> figure is on balance marginally defensible if it could be combined with conservation, research, inventory and reforestation efforts. This would also track with President Garcia's recent announcement that he will effect reforestation of 500,000 forest hectares (of which some will be mahogany, which is naturally dispersed throughout the Peruvian jungle). Post will meet with INRENA to discuss quota alternatives.

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